G. R. S. 58]

Previous references.

4-7 82-24 1+2

4-7 94-22-1-5

1924-25

(4-7)

File No. 82-24

Serial Nos. 3 + 4

Later references.

4-7 82-24-8

GENERAL AND REVENUE SECRETARIAT.

Serial

Part B for January 1925

SUBJECT

Interest to be charged on capital outlay on Mysore Railways.

24

To The Secy to the Hon'ble the Resident in Mysore Bangalore

P 6/(2) No. 637 of 28-1-25.

States that Govt of Mysore will have no objection to the production of the rate of 6% when they can raise capital at a lower rate &c.

General and Revenue Secretariat.

Gen. Dept. File No. 82 of 19 24

Serial No.

3. No 402/IA-1885 dy 17.1.25. from the Secy to the Resident forwards Copy of Letter No T 5599 dy 9.1.25 from the Agent, Mysore & Rly for information in regard to the interest to be Charged on Capital outlay on the State lines worked by M.S. & M.

The M. & S. M. Company have again come forward to insist that the rate of 6% should be liable to be modified in accordance with the rate that may be adopted from time to time by the Govt. of India.

But, in agreeing that the Conditions assumed by the Govt. of Mysore Com ought be accepted provisionally" and "that the rate of 6% may continue to be Calculated on Capital Expenditure for the year ending 31st December 23", the Company have distinctly climbed down a little from its previous Recalcitrant attitude. As regards the Qualifying Conditions, they Certainly to be consistent.

Kind refer in regards to the Secy's Note Para 11 at Dft the Collector from ops below, stating that the Company's Contention would have

NOTE: Contd. Sheet

G.F. File No. 82 of 1924 — 2

Serial No.

DEWAN'S OFFICE
RECD. ON
No. 5244

fore it was to say that the rate should not be 6/- for all time in future.

The Agent has said that the rate can be accepted only provisionally. But he does not stop there, & finishes with the remark that the rate should be reviewed annually in accordance with Govt of India's rate.

In para 12 of the Secy's note in the Income Collection (2d) it has been suggested that the Case should be allowed to go up to the Ry Board in the event of the Company insisting on the 6/- rate.

In the circumstances it is perhaps desirable to inform the Agent that the Govt of Hyderabad would agree that the rate may not be 6/- for all time in future, but cannot agree to the stipulation that the Govt of India rate should be the determining factor. In case the Company should again insist, then perhaps the Case may be reported to the Ry Board.

Orders for Mon.

(H Sec)

Ch. 30/1.

21/1/25

The position is explained in the above note. We can not agree to be bound by the Govt. rate for the simple reason that we can not raise money at that rate

Mues 24-1-25

Dewan

I agree to A.

Mues 24-1-25

Please put up draft

Mues 24/1/25

NOTE—Contn. Sheet 4

Cy. 12 82a (14) 24 — 96 29 3

Orders Supra.

Draft Subd.

Sd/ 27/1 H Secy

read 28/1/25

Clean up the fair draft

5/3/25

24.1.25 read

Fair draft as herewith put up, for submission to Hon Dewan for approval (Vide H Secy's Order on the draft:)

read 24.1.25

Sd/ 26/1

Dewan) Draft approved 26/1/25

27 JAN 1925

Done read 27.1.25 read

82.

(4) No pol 637 dy 28.1.25 to the Secy to the Resident Stating that the Govt of Mysore will have no objection to the reduction of the rate of 6% when they can raise Capital at a lower rate but that the rate cannot be 5% that at which the Govt of India will be able to raise their Capital funds.

B afis for Despatch

G.7.82-24-3

4

OFFICE OF THE RESIDENT IN MYSORE,

2629

Bangalore, 17th January 192 5.

All communications should be addressed to the Secretary to the Resident in Mysore, Residency, Bangalore, and not by name. (by designation and not by name.)

No. 402 Encls. 1
1A-1885.

19 JAN. 1925

G. D. SECTION

Pol. 838.

A copy of the marginally* noted letter ~~with enclosure~~ is forwarded with compliments, to the Financial Secretary to the Government of H. H. the Maharaja of Mysore, for information, with reference to the correspondence ending with his letter No.Pol.507/G.F.82-24-2, dated the 16th December 1924.

No.T/5599 dated the 9th January 1925 from the Agent, Madras and Southern Mahratta Railway.

Secretary to the Resident.

R. O. 106.—R. P. B.—7-1924.—2,000.

BJ

Letter No.T/5599, dated the 9th January 1925, from the Agent, Madras and Southern Mahratta Railway Co., Ltd., Madras, to the Secretary to the Hon'ble the Resident in Mysore, Bangalore.

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I have the honour to acknowledge receipt of your endorsement No.10183/14-1885 of the 20th December 1924, forwarding for my information a copy of letter No. Pol.507/G.F.82-24-2, dated 16th December 1924 from the Financial Secretary to the Government of Mysore to your address.

2. In the last mentioned communication, attention is drawn to the omission of the condition (regarding modification in accordance with any alteration in the rate notified by the Government of India) from my letter dated 28th June 1923, but I beg to remark that this letter expressly refers to my previous letter No.T.5599, dated 9th May 1923 and mentions that my Board approved of my proposals.

3. The proposed rate of 6 per cent was not intended, therefore, to be adhered to indefinitely, but referred only to the period from 1st October 1922 until such date as a modification might be desirable.

4. I therefore respectfully give notice that the conditions assumed by the Mysore Government can only be accepted provisionally. In June 1923, the date of my letter, the rate fixed by the Government of India was 5½% and this rate has not yet since been modified, so that the rate of 6 per cent may continue to be calculated on capital expenditure for the year ending 31st December 1925. Thereafter the rate for payment of interest on capital expenditure will require to be reviewed annually in accordance with the rate which may be adopted from time to time by the Government of India.

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"C O P Y"

REGISTRAR, RESIDENT'S OFFICE.

BJ

G.7.82-24-4 6

FAIR DRAFT.

This draft has the Subject Dewan for approval
26-1-25

To Pol 637 & 28 1/25

The Secretary to the

Hon'ble the Resident in Mysore.

Sir,

Subject :- Interest to be charged on Capital Outlay. in Mysore Rys

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With reference to your letter No. 402 I.A.1885 dated 17th January 1925 - forwarding copy of letter No.T.5599 dated 9th January 1925 from the Agent, Madras & Southern Mahratta Railway, I am directed to state that the Government of Mysore will have no objection to the reduction of the rate of 6 per cent, when they can raise Capital at a lower rate. But the rate to be adopted at any time can only be that at which they can furnish Capital and not that at which the Government of India may be able to raise their Capital Funds.

I have etc,

26-1-25

Financial Secretary to Govt.

mkr
24.1.25

MK.